#### STATEMENT BY

LOUIS JEROME (JERRY) HANSEN
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(STRATEGIC INFRASTRUCTURE) AND SENIOR OFFICIAL PERFORMING DUTIES
OF ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND
ENVIRONMENT)

JOSEPH F. CALCARA
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS AND HOUSING)

BRIGADIER GENERAL JAMES C. BOOZER
DIRECTOR, OPERATIONS DIRECTORATE
OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR
INSTALLATION MANAGEMENT

MAJOR GENERAL RAYMOND W. CARPENTER ACTING DIRECTOR OF THE ARMY NATIONAL GUARD

JAMES SNYDER
ASSISTANT CHIEF, ARMY RESERVE

**BEFORE THE** 

SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

SECOND SESSION, 111TH CONGRESS

ON THE FISCAL YEAR 2011
MILITARY CONSTRUCTION, ARMY
MILITARY CONSTRUCTION, ARMY NATIONAL GUARD
MILITARY CONSTRUCTION, ARMY RESERVE
ARMY FAMILY HOUSING
AND
BASE REALIGNMENT AND CLOSURE
BUDGETS

**APRIL 22, 2010** 

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON APPROPRIATIONS

Mr. Chairman and members of the Subcommittee, on behalf of the more than one million Active, Guard, and Reserve Soldier, their Families, and the Civilians of the United States Army, I welcome the opportunity to discuss the Army's Military Construction, Family Housing, and Base Realignment and Closure budget requests for fiscal year 2011.

The Army's strength is its Soldiers – and the Families and Army Civilians who support them. I would like to start by thanking you for your support to our Soldiers and their Families serving our Nation around the world. They are and will continue to be the centerpiece of our Army, and their ability to perform their missions successfully depends upon the staunch support of the Congress.

Our Nation has been at war for nearly nine years. The Army continues to lead the war efforts in Afghanistan and Iraq, as well as in defense of the homeland and in support of civil authorities in responding to domestic emergencies. Over time, these operations have expanded in scope and duration, stressing our All-Volunteer Force and straining our ability to maintain strategic depth. During this period, the Congress has responded to the Army's requests for resources, and that commitment to our Soldiers, their Families, and Civilians is deeply appreciated. Continued timely and predictable funding is critical as the Army continues to fight two wars, meet other operational demands, sustain an All-Volunteer Force, and prepare to protect against future threats to the Nation.

### **OVERVIEW**

# **Facilities Strategic Context**

The Army continues its largest organizational change since World War II, as it transforms to a Brigade centric modular force and grows the force to achieve an Active Component end strength of 547,400, a National Guard end strength of 358,200, and an Army Reserve end strength of 206,000 Soldiers. At the same time, we are restationing about 1/3 of the force through a combination of Base Closure and Realignment (BRAC) and Global Defense Posture Realignment (GDPR) actions.

The Army is executing a tightly woven, operationally-synchronized plan integrating BRAC, GDPR, and Grow the Army (GTA); facilitated by Military Construction. The strategy includes aligning facilities to support a CONUS based Army Modular Force (AMF) structured expeditionary Army; completing facilities to implement and comply with BRAC 2005 law by 2011; completing GDPR by 2013; completing GTA by 2013; and completing AMF new unit facilities builds. Facilities modernization for AMF units converted from the legacy force structure extends beyond 2015.

### **Army Imperatives and Facility Initiatives**

The FY11 MILCON request is crucial to the success of the Army's strategic imperatives to Sustain, Prepare, and Transform the force. The Army has developed military construction facility initiatives that support the Army imperatives.

#### SUSTAIN

To Sustain the force, the following initiatives provide for the Recruitment and Retraining of Soldiers; Care of Soldiers, Families, and Civilians; Care of Wounded Warriors; and the Support of Families of Fallen Comrades:

<u>Family Housing:</u> Provides housing services, preserves the balance of military owned housing and the distinction of privatized on-post housing commensurate with U.S. civilian community standards.

<u>Barracks:</u> Provide quality Barracks for Army Soldiers including: Permanent Party, Training, and Warriors Transition Complexes. We owe single Soldiers the same quality of housing that we provide married Soldiers. Modern barracks are shown to significantly increase morale, which positively impacts readiness and quality of life across all components. The Army intends to buyout the original inadequate permanent party barracks by 2013 with full occupancy by 2015, and will continue to budget to maintain all permanent party barracks as adequate.

<u>Army Medical Action Plan:</u> Provide command and control, primary care and case management for Warriors In Transition (WT) to establish a healing environment that promotes the timely return to the force or transition to civilian life.

<u>Soldier Family Action Plan:</u> Provides Soldiers and Families a Quality of Life commensurate with their service; provides Families a strong, supportive environment where they can thrive; and provide quality, standardized facilities.

## **PREPARE**

To Prepare our Army to meet the challenges of the current operations and the full spectrum of combat operations, the Army has funded projects in the Grow the Army, Mission and Training, and Trainee Barracks initiatives.

Grow the Army: Provide facilities to support the increase of the Army end strength to 1,111.6K (74.2K increase) across all components to fill key force capability shortfalls and increase Active Component dwell time. GTA facilities include operations, maintenance, and training facilities; barracks, and facilities to improve the quality of life for Soldiers, Families, and Civilians in the Active Army, Army Reserve and Army National Guard. The Army's strategy is to complete all facilities requirement to support this initiative by fiscal year 2013.

<u>Mission and Training:</u> Provides facilities to support unit operations, maintenance, and training. Ranges and training land to support individual, and unit collective training in support of the Army Force Generation (ARFORGEN) training cycle are included in Mission and Training facilities.

<u>Training Barracks:</u> Provides initial entry and advance individual training quality barracks and eliminates all inadequate trainee barracks spaces. The goal is to fund all trainee barracks requirements by fiscal year 2015 and full occupancy of the barracks in fiscal year 2017.

<u>Operational Readiness Training Complex:</u> FY2011 is the start of the Army's investment in unit facilities in support of the ARFORGEN training cycles of the Active and Reserve Components. ORTCs are complexes with operations, maintenance and storage facilities, barracks, dining facility, and equipment parking.

#### **TRANSFORM**

To meet the demands of the 21<sup>st</sup> century, the Army is transforming via the AMF, GDPR, and BRAC initiatives. Collectively, these initiatives allow the Army to shape and station forces to provide maximum flexibility.

<u>Army Modular Force</u> The Army continues to reorganize the Active and Reserve components into standardized modular organizations, increasing the number of Brigade Combat Teams (BCTs) and support Brigades to meet operational requirements and create a more deployable, versatile and tailorable force.

Global Defense Posture Realignment The GDPR initiative ensures Army forces are properly positioned worldwide to support our National Military Strategy and to support the mission in Afghanistan. GDPR will relocate over 48,000 Soldiers and their Families from Europe and Korea to the United States by 2013. As part of the fiscal year 2011 program, the Army is requesting \$188.7 million to construct facilities in Bagram, Afghanistan, and Forts Benning, Bliss, and Riley.

<u>Base Realignment and Closure</u> BRAC 2005 enables the Army to reshape the infrastructure supporting the Operating Force, the Generating Force, the Reserve Component and enhance the repositioning of those forces making them more relevant and combat ready for the Combatant Commander.

#### **FY2011 MILCON Overview**

The Army's fiscal year 2011 Military Construction and Overseas Contingency Operations budget requests include \$7.9 billion for Military Construction, Army Family Housing, and BRAC appropriations and associated new authorizations.

The details of the Army's fiscal year 2011 request follow:

		Authorization of	
Military Construction Appropriation	Authorization Request	Appropriations Request	Appropriation Request
Military Construction Army (MCA)	3,665,662,000	4,078,798,000	4,078,798,000
Military Construction Army National Guard (MCNG)	836,601,000	873,664,000	873,664,000
Military Construction Army Reserve (MCAR)	289,275,000	318,175,000	318,175,000
Army Family Housing Construction (AFHC)	55,329,000	92,369,000	92,369,000
Army Family Housing Operations (AFHO)	0	518,140,000	518,140,000
BRAC 95 (BCA)	73,600,000	73,600,000	73,600,000
BRAC 2005 (BCA)	1,012,420,000	1,012,420,000	1,012,420,000
Overseas Contingency Operations (OCO)	761,950,000	929,996,000	929,996,000
Homeowners Assistance Program (HAP)	16,515,000	16,515,000	16,515,000
TOTAL	6,711,352,000	7,913,677,000	7,913,677,000

## **FY2011 Budget Request**

## **Military Construction Army**

The Active Army fiscal year 2011 Military Construction request for \$4,078,798,000 (for appropriation and authorization of appropriations) supports the Army Imperatives of Sustain, Prepare and Transform.

Mission and Training (\$866M): Operations, maintenance, and training facilities and ranges are the cornerstones to "Prepare" the Army for current operations. The fiscal year 2011 request includes \$269 million for operations facilities, \$65 million for maintenance facilities, \$212 million for ranges and \$213 million for training facilities. Utilities and other support facilities complete the mission and training request at \$107 million.

Army Modular Force (1,268M): The fiscal year 2011 request of \$1.584 billion will provide permanent operations and maintenance facilities and barracks to support the conversion of existing forces into new modular force units in the Active Army (1.268 billion) and Army National Guard (0.316 billion). The Army strategy is to use existing

facility assets where feasible and program new construction projects when existing facilities are inadequate.

Grow the Army (\$698M): The Grow the Army request in fiscal year 2011 is for 34 projects. The total includes \$148.7 million for maintenance facilities, \$215.4 million for operations facilities, \$259 million for Barracks, and \$74.6 million for training ranges and training support facilities. The Army's gap analysis for Grow the Army, following the fiscal year 2009 Secretary of Defense decision on the number of Brigades, confirmed that these facilities were essential to support growth in the Army's combat support and combat service support force structure and establish the appropriate training support infrastructure.

Barracks Modernization (\$891M): The Army is in the 18th year of modernizing permanent party barracks to provide about 148,000 single enlisted Soldiers with quality living environments. Because of increased authorized strength, the requirements for barracks modernization have increased in several locations. The fiscal year 2011 request will provide for 5,115 new permanent party barracks spaces that will meet DoD's "1 + 1" or equivalent standard and eliminate common area latrines. These units provide two-Soldier suites, increased personal privacy, larger rooms with walk-in closets, new furnishings, adequate parking, landscaping, and unit administrative offices separated from the barracks. The \$891 million in barracks projects includes projects requested in the GTA, GDPR, and AMF initiatives. We are on track to fully fund this program by fiscal year 2013. The last inadequate permanent party spaces will be removed after the new barracks are fully occupied in fiscal year 2015.

Trainee Barracks Modernization (\$191M): The \$350 million provided by the Congress in the 2010 appropriations for trainee barracks is greatly appreciated. The additional funding will accelerate the Army's ability to provide necessary quality barracks. The request in fiscal year 2011 will provide 1980 new training barracks spaces for our Soldiers. Six trainee barracks are going to be constructed at four installations (Forts Benning, Bragg, Jackson, and Leonard Wood).

Warrior In Transition (\$18M): The WT complex at Fort Eustis completes the Army's plan for WT complexes in the United States.

Overseas Construction: Included in this budget request are high-priority overseas projects at enduring locations. In Germany, we are requesting funds for barracks at Grafenwoehr and Rhine Ordnance, a vehicle maintenance shop and a physical fitness center in Ansbach, an information processing center, sensitive compartmented information facility, command and battle center and an access control point in Wiesbaden. In Korea, we are requesting funds to further our relocation of forces on the peninsula. This action is consistent with the Land Partnership Plan agreements entered into by the U.S. and Republic of Korea Ministry of Defense. Our request for funds in Italy continues construction for a BCT.

Other Support Programs (\$273M): The fiscal year 2011 budget includes \$222 million for planning and design. As executive agent, the Army also provides oversight of design and construction for projects funded by host nations. The fiscal year 2011 budget requests \$28 million for oversight of host nation funded construction for all Services in Japan, Korea, and Europe. The budget request also contains \$23 million for unspecified minor construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

Incremental Funding (\$140M). We are requesting the second increment of funding, \$59.5 million, for the Command and Battle Center at Wiesbaden, Germany. In addition, we are requesting the first phase, and second increment of funding, \$30 million, for the Aviation Task Force Complex at Fort Wainwright, Alaska. The budget also includes \$25 million for a Brigade Complex-Operations support facility and \$26 million for a Brigade Complex-Barracks/Community, both projects at Vicenza, Italy.

### **Military Construction National Guard**

The fiscal year 2011 request for \$873,664,000 (for appropriation and authorization of appropriations) is focused on Army Modular Force, Mission and Training, Grow the Army, planning and design and unspecified minor military

construction represents the largest MILCON budget ever requested by the Army National Guard.

Mission and Training. In fiscal year 2011, the Army National Guard is requesting \$440.5 million for 24 projects which will support the preparation of our forces. These funds will provide the facilities our Soldiers require as they train, mobilize, and deploy. Included are four Training/Barracks Facilities, nine Range projects, four Maintenance Facilities, one United States Property and Fiscal Facility, and six Readiness/Armed Forces Reserve Centers.

Army Modular Force. Our budget request also includes \$316.5 million for 16 projects in support of our modern missions. There are five Readiness Centers, one Armed Forces Reserve Center, five Maintenance Facilities, four Unmanned Aircraft System Facilities and one Aircraft Parking project to provide for modernized facilities.

Grow the Army. To support the Army National Guard end strength increase, \$79.6 million is requested to construct eight Readiness Centers. The new Readiness Centers will house newly activating units to address the continued high levels of force deployment.

Other Support Programs. The fiscal year 2011 Army National Guard budget also contains \$25.6 million for planning and design of future projects and \$11.4 million for unspecified minor military construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

## **Military Construction Army Reserve**

The Army Reserve fiscal year 2011 Military Construction request for \$318,175,000 (for appropriation and authorization of appropriations) is for Preparation, Transformation, other support, and unspecified programs.

Mission and Training projects: In fiscal year 2011, the Army Reserve will invest \$76.5 million to prepare our Soldiers for success in current operations. Included in the

mission and training projects are, four ranges, a tactical vehicle wash rack, a maintenance and equipment storage facility and an Annual Training/Mobilization Barracks

Grow The Army: The Army Reserve transformation from a strategic reserve to an operational force includes converting 16,000 authorizations from generating force structure to operational force structure from fiscal years 2009 through 2013. In fiscal year 2011, the Army Reserve will construct 17 Reserve Operations Complexes in eleven states, with an investment of \$212.8 million to support the transformation. These projects will provide operations, maintenance, and storage facilities for over 3300 Soldiers in 66 newly activating combat support and combat service support units and detachments.

Other Unspecified Programs: The fiscal year 2011 Army Reserve budget request includes \$25.9 million for planning and design for future year projects and \$3.0 million for unspecified minor military construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

## **Army Family Housing Construction**

The Army's fiscal year 2011 Family housing construction request is \$92.4 million for authorization of appropriation, and appropriation. This year's budget continues our significant investment in our Soldiers and their Families by supporting our goal to continue funding to sustain military owned housing and eliminate remaining inadequate military owned at enduring overseas installations.

The fiscal year 2011 new construction program uses traditional military construction to provide 64 new homes for Families with a \$34.3 million replacement project at Baumholder, Germany. The Army also requests \$21 million for the completion of the supporting infrastructure for two projects authorized and appropriated in fiscal year 2004 at Fort Wainwright, Alaska.

The fiscal year 2011 construction program also provides \$35 million to make adjustments to two existing Residential Communities Initiative (RCI) Family housing privatization projects at Fort Eustis, Virginia and Carlisle Barracks, Pennsylvania.

In fiscal year 2011, we are also requesting \$2.0 million for final design of fiscal year 2011 Family housing projects and to initiate design of 2012 Family housing construction projects, as well as for housing studies and updating standards and criteria.

Privatization. The Residential Communities Initiative (RCI), the Army's housing privatization program, continues to provide quality housing which Soldiers and their Families can proudly call home. The Army is leveraging appropriated funds and existing housing by engaging in 50-year partnerships with nationally recognized private real estate development, property management, and home builder firms to construct, renovate, repair, maintain, and operate housing communities.

The RCI program will include 44 locations, with a projected end state of over 85,000 homes – 98 percent of the on-post Family housing inventory in the U.S. At the end of fiscal year 2010, the Army will have privatized all 44 locations. Initial construction and renovation at these 44 installations is estimated at \$12.6 billion over a three to 14 year initial development period, of which the Army will contribute close to \$2.0 billion. Although most projects are in their initial development periods, since 1999 through November 2009, our partners have constructed over 21,000 new homes, and renovated another 16,000 homes.

# **Army Family Housing Operations**

The Army's fiscal year 2011 Family Housing Operations request is \$518,140,000 (for appropriation and authorization of appropriations). This account provides for annual operations, municipal-type services, furnishings, maintenance and repair, utilities, leased Family housing, demolition of surplus or uneconomical housing, and funds supporting management of the Military Housing Privatization Initiative. This request will support almost 17,000 Army-owned homes, at home and in foreign countries areas, as

well as leasing more than 9,000 residences and providing government oversight of more than 80,000 privatized homes.

Operations (\$97.3M). The operations account includes four sub-accounts: management, services, furnishings, and a small miscellaneous account. All operations sub-accounts are considered "must pay accounts" based on actual bills that must be paid to manage and operate Family housing.

Utilities (\$69.6M). The utilities account includes the costs of delivering heat, air conditioning, electricity, water, and wastewater support for Family housing units. The overall size of the utilities account is decreasing with the reduction in supported inventory.

Maintenance and Repair (\$120.9M). The maintenance and repair account supports annual recurring projects to maintain and revitalize Family housing real property assets. Since most Family housing operational expenses are fixed, maintenance and repair is the account most affected by budget changes. Funding reductions result in slippage of maintenance projects that adversely impact Soldier and Family quality of life.

Leasing (\$203.2M). The leasing program provides another way of adequately housing our military Families. The fiscal year 2011 budget includes funding for 9,036 housing units, including project requirements for 1,080 existing Section 2835 ("build-to-lease" – formerly known as 801 leases), 1,828 temporary domestic leases in the U.S., and 6,128 leased Family housing units in foreign areas.

Privatization (\$27.1M). The privatization account provides operating funds for management and oversight of privatized military Family housing in the RCI program. RCI costs include civilian pay, travel, and contracts for environmental and real estate functions, training, real estate and financial consultant services and oversight to monitor compliance and performance of the overall privatized housing portfolio and individual projects.

### **BRAC 95**

Since Congress established the first Defense Base Closure and Realignment Commission in 1988 and then authorized the subsequent rounds in 1990, DoD has successfully executed four rounds of base closures to reduce and align the military's infrastructure to the current security environment and force structure. As a result, the Army estimates approximately \$13.5 billion in savings through 2009 – and nearly \$1 billion in recurring, annual savings from prior BRAC rounds.

The Army is requesting \$73.6 million in fiscal year 2011 for prior BRAC rounds (\$5.2 million to fund caretaking operations and program management of remaining properties and \$68.4 million for environmental restoration) to address environmental restoration efforts at 147 sites at 14 prior BRAC installations. To date, the Army has spent \$3.1 billion on the BRAC environmental program for installations impacted by the previous four BRAC rounds. The Army has disposed of 183,637 acres (88 percent of the total acreage disposal requirement of 209,292 acres), with 25,654 acres remaining

### **BRAC 2005**

Under BRAC 2005, the Army will close 12 Active Component installations, one Army Reserve installation, 387 National Guard Readiness and Army Reserve Centers, and eight leased facilities. BRAC 2005 establishes Training Centers of Excellence, Joint Bases, a Human Resources Center of Excellence, and Joint Technical and Research facilities. To accommodate the units relocating from the closing National Guard Readiness and Army Reserve Centers, BRAC 2005 creates 125 multi-component Armed Forces Reserve Centers and realigns U.S. Army Reserve command and control structure.

With over 1,100 discrete actions required for the Army to successfully implement BRAC 2005, they must be carefully integrated with the Defense and Army programs of Grow the Army, GDPR, and Army Modular Force. Collectively, these initiatives allow the Army to focus its resources on installations that provide the best military value, supporting improved responsiveness and readiness of units. The elimination of Cold

War-era infrastructure and the implementation of modern technology to consolidate activities allow the Army to better focus on its core warfighting mission. These initiatives are a massive undertaking, requiring the synchronization of base closures, realignments, military construction and renovation, unit activations and deactivations, and the flow of forces to and from current global commitments. Results will yield substantial savings over time, while positioning forces, logistics activities, and power projection platforms to respond efficiently and effectively to the needs of the Nation.

The Army FY2011 budget request for BRAC 2005 is \$1,012.4 million. The Army remains committed to achieving BRAC 2005 Law and is on track to do so. Our request is critical to the success of the Army's BRAC 2005 initiative and does not contain funding for new construction projects. The funding request includes \$887.2 million in Operations and Maintenance (O&M) to support Civilian Permanent Change of Station (PCS), furnishings and equipment for completed BRAC projects, as well as support for facility caretaker requirements. An additional \$51.7 million is requested for information technology and capital equipment procurement to comply with the BRAC 2005 requirements.

In fiscal year 2011, the Army will continue environmental closure and cleanup actions at BRAC properties. These activities will continue efforts previously ongoing under the Army Installation Restoration Program and will ultimately support future property transfer actions. The budget request for environmental programs is \$73.5 million, which includes munitions and explosives of concern and hazardous and toxic waste restoration activities.

# **Overseas Contingency Operations**

The FY2011 request includes \$930 million to support Overseas Contingency Operations (OCO). The request funds non enduring mission projects critical to the support of deployed war fighters for example; Troop Housing, Dining Facilities, Rotary Wing Airfield Facilities, Logistical and Environmental facilities, Command and Control facilities, and force protection to ensure safe and efficient military operations in

Afghanistan. A total of 48 projects fulfill the Department's immediate mission needs and urgent infrastructure requirements in theater for a total of \$762 million. The OCO request provides \$78.3 million for unspecified minor construction and \$89.7 million for planning and design.

## **Homeowners Assistance Program**

The Army is the DoD Executive Agent for the Homeowners Assistance Program (HAP); that is, the Army requests in its budget the funds needed by the DoD-wide program supporting all of the Services. In normal times, this program assists eligible military and civilian employee homeowners by providing some financial relief when they are not able to sell their homes under reasonable terms and conditions because of DoD announced closures, realignments, or reduction in operations when this action adversely affects the real estate market.

The fiscal year 2011 budget requests authorization of appropriations in the amount of \$16.5 million. Total program estimate for fiscal year 2011 is \$49.9 million and will be funded with requested budget authority, revenue from sales of acquired properties, and prior year unobligated balances.

## Summary

Mr. Chairman, the fiscal year 2011 Military Construction and BRAC budget requests are balanced programs that support our Soldiers and their Families, Overseas Contingency Operations, Army transformation, readiness, and DoD installation strategy goals. We are proud to present this budget for your consideration because of what this budget will provide for the Army:

## Military Construction:

- \$7.9 billion invested in Soldier/Family Readiness
- \$930 million to support projects for Overseas Contingency Operations
- \$4,079 million to Active Army
- \$318 million to Army Reserve

- \$874 million to Army National Guard
- \$610 million to Family Housing
- 39 new Training Ranges/Facilities
- 37 new Reserve and National Guard Operations and Readiness Centers.
- 245 Families get new or improved housing
- 8,857 Soldiers get new barracks

## Base Realignment and Closure:

- \$1,012 million to support BRAC 2005
- Statutory compliance by 2011 for BRAC 2005
- Continued Environmental Restoration and disposal of excess acres.

Our long-term strategies for installations will be accomplished through sustained and balanced funding, and with your support, we will continue to improve Soldier and Family quality of life, while remaining focused on Army and Defense transformation goals.

In closing, we would like to thank you again for the opportunity to appear before you today and for your continued support for America's Army